

Date Mailed September 24, 2002
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BEFORE THE  
  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Administration of the Mechanics of Price Regulation Pertaining to Wisconsin  
Bell, Inc., d/b/a Ameritech Wisconsin, on Its September 1, 2002, Anniversary      6720-TI-174  
Date

**NOTICE OF PROCEEDING**

**THIS IS A PROCEEDING** to determine the amount that Wisconsin Bell, Inc., d/b/a Ameritech Wisconsin (Ameritech), may increase, or must decrease, its price regulated rates pursuant to Wis. Stat. § 196.196(1)(c) and Wis. Admin. Code § PSC 163.04(1).

Price regulation is an optional method of regulation whereby companies are allowed flexibility to change prices within specified limits, regardless of profits. Average prices for basic local exchange services are limited by a formula based on inflation, minus a productivity offset, plus or minus incentives and penalties based on performance relating to service quality and infrastructure investment. Services currently subject to this price regulation formula are basic local exchange service and standard business access lines and usage by small businesses with no more than three access lines.

This proceeding will set new company-specific benchmarks for infrastructure investment, and make any other determinations, except those pertaining to service quality standards,<sup>1</sup> necessary to administer the mechanisms of price regulation pertaining to Ameritech's 2004 anniversary date. The mechanisms include the annual percentage change in the Gross Domestic Product Price Index (GDPPI), a productivity offset to the change in the GDPPI, an increase in the productivity offset for inadequate service or insufficient investment, and a decrease in the productivity offset to encourage infrastructure investment.

Pursuant to Wis. Adm. Code § PSC 163.04(1), on August 30, 2002, Ameritech filed information with the Commission requesting a 1.23-1.63 percent decrease in the price cap index, depending on the Commission's discretionary adjustment to the productivity offset, for the Commission's use in determining the amount the utility may increase or must decrease its rates. Copies of the applicant's filing may be obtained from the PSC's website at [http://www.psc.state.wi.us/telecom/cases/rec\\_apps/document/amertch2.pdf](http://www.psc.state.wi.us/telecom/cases/rec_apps/document/amertch2.pdf), or by written request to Scott Jansen, Ameritech Wisconsin, 13<sup>th</sup> Floor, 722 North Broadway, Milwaukee, WI 53202, or by e-mail addressed to [scott.jansen@Ameritech.com](mailto:scott.jansen@Ameritech.com).

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<sup>1</sup> The issue of setting the service quality standards necessary to administer the mechanics of price regulation is part of docket 05-TI-629.

Ameritech's anniversary date is September 1. Pursuant to Wis. Adm. Code § PSC 163.04(8)(a), the Commission shall issue an order no later than 60 days after the utility's anniversary date authorizing the amount the utility may increase its rates or mandating the amount it shall reduce them.

**NOTICE IS GIVEN** that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

Currently, the only party to this proceeding is Ameritech. Any other person desiring to become a party shall file such request pursuant to Wis. Stat. § 227.44(2m) and Wis. Admin. Code § PSC 2.21 no later than eleven (11) days from the date of mailing of this notice. The request shall be addressed to Administrative Law Judge David Whitcomb, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, WI 53707-7854. The request shall be served upon Ameritech at or before filing with the Administrative Law Judge.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Questions regarding this matter may be directed to docket coordinator Christopher Larson at (608) 267-9508.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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